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If it wanted to, Congress could let the FCC create tens of thousands of jobs. But Congress doesn't want to. (In fact, Congress is contemplating actions that could thwart job creation.)

We know this because jobs were created in equipment, telephone and online services. Unfortunately, none of those good things will happen in the immediate future, even though the past has some lessons to teach about how an open, competitive regulatory environment can create conditions conducive to job growth. Let's take a look at the record.

Once upon a time, the old, old AT&T was the sole supplier of telephones and other equipment to consumers and businesses. The FCC, in a series of market-opening orders, culminating in the 1968 Carterfone ruling, finally freed the non-AT&T world to provide telephone equipment. Through the years, consumers and businesses had many more choices as new companies sprang up to provide home phones, business phones, and business switching equipment for voice and data. Anyone could buy a phone and plug it in. At one telephone equipment show in the mid-1980s, a small California computer company said it was going to enter the telephone business, but only put up an empty booth promising products later. (Whatever happened to those Apple guys and their phones, anyway?)

Some of those companies are still around. Others had a nice run before being overtaken other market forces. There are no guarantees, as any free market advocates will tell you. (Except if your company is too big to fail or if your lobbying operation is sufficiently large.) There is no doubt, that the freed market for equipment created jobs for engineers, manufacturers, sales personnel and many more. And it was all due to the FCC bucking the political might of AT&T to do it.

Those same decisions allowed for competition in another sector -- what was then called the long-distance (interexchange) business. MCI and the predecessors of today's Sprint were early and brave companies in that world but, particularly after the breakup of AT&T, and after the passage of the 1996 Telecommunications Act, there were many, many more. For a few brief, shining years, there was a competitive market that worked the way it was supposed to work. Consumers had dozens of residential long-distance companies to choose from, those companies had easy access (particularly after the breakup of the old AT&T) to the telephone network and everyone (except of course for the Regional Bell companies created after the breakup) was happy at least for a time. From Allnet to Satellite Business Systems in long-distance, to the next iteration, competitive local carriers, there was a time when competition was encouraged and protected by regulators who had the consumer welfare in mind. One other result; Lots of jobs were created as companies competed against each other for consumer and business customers.

An October, 2002 study done by the New Paradigm Resources Group for Comptel, the trade group representing the competitive telecom industry, found that passage of the Telecom Act had the effect of "unleashing an explosion of capital spending" in the competitive sector. Between 1996 and 2001, competitive carriers spent \$150 billion in capital expenditures as a result of the removing of barriers to competition. That translates into a lot of jobs.

In the emerging online world, the game was wide open. The law provided that online service providers could get access to the elements of the phone company network to make their systems work, and so there were thousands and thousands of Internet Service Providers, some of which were national, some local. Some were general-purpose, some were aimed at a specific segment of the population.

These were all win-win propositions. They created lots of jobs, gave consumers more choices for products and services. Since then, the picture isn't as good. Two former Bell companies bought most of the other Bells and the biggest long-distance companies. Consumers have less choice in Internet access.

One reason is that the FCC over the years succumbed to the Big Telecom campaign to put all the little guys out of business through subterranean means that the public would never see (like charges big phone companies levy to connect to their network). Another is that the FCC gave up the authority over Internet access (broadband), which leads to its current troubles in trying to justify legally how to get an open Internet and will likely lead to future controversies over how to support broadband deployment (universal service). Market conditions also played a role, of course. No company is guaranteed survival. But it's hard for any company to run a business and fight for survival when the Big Industry and the regulatory structure are arrayed against you.

If the FCC wanted to set itself on a quick path to create thousands of jobs in the telecom/Internet sector, it could take one big step: reclaiming the authority over broadband that the Commission gave up six years ago while guaranteeing an open Internet. The economic benefits will be fabulous.

The telephone companies would fight this tooth and nail forever in a protracted guerilla war, dragging out every possible aspect of this they could, from overall authority to rates for interconnection. None of that would help the economy or consumers, but the Big Telecom companies don't care about that.

If Congress wanted to set the table for the creation of tens of thousands of jobs in the telecom sector, it could pass a law giving the FCC back the authority the Commission unwisely gave up. Then we might have a vibrant ISP industry similar to the one in the U.K., which maintains some of the rules we jettisoned in an effort to make life safe for Verizon, AT&T and Comcast, among others.

But we all know none of this will happen. The leadership of the FCC doesn't have the gumption to deal with the issue. It would rather dance around the authority question than confront it. When the gutsiest action the FCC can come up with is a letter to AT&T asking for data on questionable jobs projections, you know they won't take on basic authority questions.

And Congress? All of those bought and paid for legislators who sign on to AT&T's bogus talking points (backed by charities which gets lots of AT&T money), get campaign contributions and oppose an open Internet will raise Holy Hell if the FCC attempts to establish the groundwork for a competitive industry. One can almost hear the wild screams that President Obama is trying to "regulate the Internet" and "take over the Internet." Those have already started from some Tea Party quarters over the Open Internet rules. The House has already voted to nullify them and the Senate is expected to vote soon.

Forget creating jobs. Forget creating consumer choice, and forget protecting consumers. None of that matters when Big Telecom comes knocking on the door. Meanwhile, AT&T despite good earnings is still cutting jobs. Oh, well.